

MAY 24, 1993

The Colorado Department of Revenue has issued regulations, effective immediately, to set the state withholding rate on gambling winnings at 4%.

Colorado Department of Revenue Regulation 39-22-604.17 reads, in pertinent part:

Every person making payment of winnings within Colorado which are subject to withholding for federal income tax purposes shall withhold four percent of such winnings and shall submit such withholdings to the Colorado Department of Revenue as though such amounts withheld were amounts withheld from wages under the provisions of Section 39-22-604(3), Colorado Revised Statutes.

Whenever a casino takes federal withholding from gambling winnings, the casino is also required to withhold 4% for state purposes.

If you have questions concerning this regulation, you can contact Cindy Granner of the Colorado Department of Revenue at (303) 294-5131.

Questions concerning federal withholding requirements should be directed to Bill Schipper of the I.R.S. at (303) 650-7862.